

(3) The CPAF contract may include provisional award fee payments. A provisional award fee payment is a payment made within an evaluation period prior to a final evaluation for that period. The contracting officer may include provisional award fee payments in a CPAF contract on a case-by-case basis, provided those payments—

(A) Are made no more frequently than monthly;

(B) Are limited to no more than—

(1) For the initial award fee evaluation period, 50 percent of the award fee available for that period; and

(2) For subsequent award fee evaluation periods, 80 percent of the evaluation score for the prior evaluation period times the award fee available for the current period, *e.g.*, if the contractor received 90 percent of the award fee available for the prior evaluation period, provisional payments for the current period shall not exceed 72 percent (90 percent \times 80 percent) of the award fee available for the current period;

(C) Are superseded by an interim or final award fee evaluation for the applicable evaluation period. If provisional payments have exceeded the payment determined by the evaluation score for the applicable period, the contracting officer shall collect the debt in accordance with FAR 32.606; and

(D) May be discontinued, or reduced in such amounts deemed appropriate by the contracting officer, when the contracting officer determines that the contractor will not achieve a level of performance commensurate with the provisional payment. The contracting officer shall notify the contractor in writing of any discontinuance or reduction in provisional award fee payments.

(c) *Limitations.* The CPAF contract shall not be used—

(i) To avoid—

(A) Establishing CPFF contracts when the criteria for CPFF contracts apply, or

(B) Developing objective targets so a CPIF contract can be used.

(ii) For either engineering development or operational system development acquisitions which have specifications suitable for simultaneous research and development and produc-

tion, except a CPAF contract may be used for individual engineering development or operational system development acquisitions ancillary to the development of a major weapon system or equipment, where—

(A) It is more advantageous; and

(B) The purpose of the acquisition is clearly to determine or solve specific problems associated with the major weapon system or equipment.

(2)(A) Do not apply the weighted guidelines method to CPAF contracts for either the base (fixed) fee or the award fee.

(B) The base fee shall not exceed three percent of the estimated cost of the contract exclusive of the fee.

[56 FR 36340, July 31, 1991. Redesignated at 63 FR 11529, Mar. 9, 1998; 68 FR 64568, Nov. 14, 2003]

216.470 Other applications of award fees.

The “award amount” portion of the fee may be used in other types of contracts under the following conditions:

(a) The Government wishes to motivate and reward a contractor for—

(1) Purchase and use of capital assets (including machine tools) manufactured in the United States, on major defense acquisition programs; or

(2) Management performance in areas which cannot be measured objectively and where normal incentive provisions cannot be used. For example, logistics support, quality, timeliness, ingenuity, and cost effectiveness are areas under the control of management which may be susceptible only to subjective measurement and evaluation.

(b) The “base fee” (fixed amount portion) is not used.

(c) The chief of the contracting office approves the use of the “award amount.”

(d) An award review board and procedures are established for conduct of the evaluation.

(e) The administrative costs of evaluation do not exceed the expected benefits.

TABLE 16-1—PERFORMANCE EVALUATION CRITERIA

		Submarginal	Marginal	Good	Very good	Excellent
A—Time of Delivery.	(A-1) Adherence to plan schedule.	Consistently late on 20% of plans.	Late on 10% plans w/o prior agreement.	Occasional plan late w/o justification.	Meets plan schedule.	Delivers all plans on schedule & meets prod. change requirements on schedule.
	(A-2) Action on Anticipated delays.	Does not expose changes or resolve them as soon as recognized.	Exposes changes but is dilatory in resolution on plans.	Anticipates changes, advise Shipyard but misses completion of design plans 10%.	Keeps Yard posted on delays, resolves independently on plans.	Anticipates in good time, advises Shipyard, resolves independently and meets production schedule.
	(A-3) Plan Maintenance.	Does not complete inter-related systems studies concurrently.	System studies completed but constr. plan changes delayed.	Major work plans coordinated in time to meet production schedules.	Design changes from studies and inter-related plans issued in time to meet product schedules.	Design changes, studies resolved and test data issued ahead of production requirements.
B—Quality of Work.	(B-1) Work Appearance.	25% dwgs. not compatible with Shipyard repro. processes and use.	20% not compatible with Shipyard repro. processes and use.	10% not compatible with Shipyard repro. processes and use.	0% dwgs. prepared by Des. agent not compatible with Shipyard repro. processes and use.	0% dwgs. presented incl. Des. agent, vendors, subcontr. not compatible with Shipyard repro. processes and use.
	(B-2) Thoroughness and Accuracy of Work.	Is brief on plans tending to leave questionable situations for Shipyard to resolve.	Has followed guidance, type and standard dwgs.	Has followed guidance, type and standard dwgs. questioning and resolving doubtful areas.	Work complete with notes and thorough explanations for anticipated questionable areas.	Work of highest caliber incorporating all pertinent data required including related activities.
	(B-3) Engineering Competence.	Tendency to follow past practice with no variation to meet reqmts. job in hand.	Adequate engrg. to use & adapt existing designs to suit job on hand for routine work.	Engineered to satisfy specs., guidance plans and material provided.	Displays excellent knowledge of constr. reqmts. considering systems aspect, cost, shop capabilities and procurement problems.	Exceptional knowledge of Naval shipwork & adaptability to work process incorporating knowledge of future planning in Design.
	(B-4) Liaison Effectiveness.	Indifferent to requirements of associated activities, related systems, and Shipyard advice.	Satisfactory but dependent on Shipyard to force resolution of problems without constructive recommendations to subcontr. or vendors.	Maintains normal contact with associated activities depending on Shipyard for problems requiring military resolution.	Maintains independent contact with all associated activities, keeping them informed to produce compatible design with little assistance for Yard.	Maintains expert contact, keeping Yard informed, obtaining info from equip., supplies w/o prompting by Shipyard.

TABLE 16–1—PERFORMANCE EVALUATION CRITERIA—Continued

		Submarginal	Marginal	Good	Very good	Excellent
C—Effective- ness in Con- trolling and/or Reducing Costs.	(B–5) Independ- ence and Initia- tive.	Constant sur- veillance req'd to keep job from slip- ping—assign to low priority to satisfy needs.	Requires occa- sional prod- ing to stay on schedule & expects Shipyard res- olution of most prob- lems.	Normal interest and desire to provide work- able plans with average assistance & direction by Shipyard.	Complete & ac- curate job. Free of in- compatibili- ties with little or no direc- tion by Ship- yard.	Develops com- plete and ac- curate plans, seeks out problem areas and re- solves with assoc. act. ahead of schedule.
	(C–1) Utilization of Personnel.	Planning of work left to designers on drafting boards.	Supervision sets & re- views goals for designers.	System plan- ning by su- pervisory, personnel, studies checked by engineers.	Design param- eters estab- lished by system engi- neers & held in design plans.	Mods. to de- sign plans limited to less than 5% as result lack enrg. sys- tem correla- tion.
	(C–2) Control Di- rect Charges (Except Labor).	Expenditures not controlled for services.	Expenditures reviewed oc- casionaly by supervision.	Direct charges set & ac- counted for on each work package.	Provides serv- ices as part of normal de- sign function w/o extra charges.	No cost over- runs on origi- nal estimates absorbs service de- mands by Shipyard.
	(C–3) Performance to Cost Estimate.	Does not meet cost estimate for original work or changes 30% time.	Does not meet cost estimate for original work or changes 20% time.	Exceeds origi- nal est. on change or- ders 10% time and meets origi- nal design costs.	Exceeds origi- nal est. on change or- ders 5% time.	Never exceeds estimates of original pack- age or change or- ders.

TABLE 16-2—CONTRACTOR PERFORMANCE EVALUATION REPORT

Category	Criteria	Rating	Item factor	Evaluation rating	Category factor	Efficiency rating
A	TIME OF DELIVERY:					
	A-1 Adherence to Plan Schedule		X	.40 =		
	A-2 Action on Anticipated Delays		X	.30 =		
	A-3 Plan Maintenance		X	.30 =		
	Total Item Weighted Rating				X	.30 =
B	QUALITY OF WORK:					
	B-1 Work Appearance		X	.15 =		
	B-2 Thoroughness and Accuracy of Work		X	.30 =		
	B-3 Engineering Competence		X	.20 =		
	B-4 Liaison Effectiveness		X	.15 =		
	B-5 Independence and Initiative		X	.20 =		
	Total Item Weighted Rating				X	.40 =
C	EFFECTIVENESS IN CONTROLLING AND/OR REDUCING COSTS:					
	C-1 Utilization of Personnel		X	.30 =		
	C-2 Control of all Direct Charges Other than Labor		X	.30 =		
	C-3 Performance to Cost Estimate		X	.40 =		
	Total Item Weighted Rating				X	.30 =
TOTAL WEIGHTED RATING:						
Rated by: _____						
Signature(s): — — s0 _____						

Ratings—Excellent; Very good; Good; Marginal; Submarginal;

Period of _____

Contract Number _____

Contractor _____

Date of Report _____

PNS Technical Monitor/s _____

NOTE: Provide supporting data and/or justification for below average or outstanding item ratings.

216.501

[56 FR 36340, July 31, 1991, as amended at 70 FR 29644, May 24, 2005]

Subpart 216.5—Indefinite-Delivery Contracts

216.501 General.

(a)(i) For items with a shelf-life of less than 6 months, consider the use of indefinite-delivery type contracts with orders to be placed either—

(A) Directly by the users; or

(B) By central purchasing offices with deliveries direct to users.

(ii) Whenever an indefinite-delivery contract is issued, the issuing office must furnish all ordering offices sufficient information for the ordering office to complete its contract reporting responsibilities under 204.670-2. This data must be furnished to the ordering activity in sufficient time for the activity to prepare its report for the action within 3 working days of the order.

[56 FR 36340, July 31, 1991, as amended at 57 FR 42630, Sept. 15, 1992; 63 FR 11529, Mar. 9, 1998]

216.501-1 Definitions.

Multiple award contract, as used in this subpart, means—

(1) A multiple award task order contract entered into in accordance with FAR 16.504(c); or

(2) Any other indefinite-delivery, indefinite-quantity contract that an agency enters into with two or more sources under the same solicitation.

[67 FR 56608, Oct. 25, 2002]

216.501-2 General.

(a) See 217.204(e) for limitations on the period for task order or delivery order contracts awarded by DoD pursuant to 10 U.S.C. 2304a.

[69 FR 13478, Mar. 23, 2004]

216.505 Ordering.

(1) Departments and agencies shall comply with the review and approval requirements established in accordance with Subpart 217.78 when placing orders under non-DoD contracts in amounts exceeding the simplified acquisition threshold.

(2) Orders placed under indefinite-delivery contracts may be issued on DD

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Form 1155, Order for Supplies or Services.

[63 FR 11529, Mar. 9, 1998, as amended at 70 FR 29642, May 24, 2005]

216.505-70 Orders for services under multiple award contracts.

(a) This subsection—

(1) Implements Section 803 of the National Defense Authorization Act for Fiscal Year 2002 (Pub. L. 107-107);

(2) Applies to orders for services exceeding \$100,000 placed under multiple award contracts, instead of the procedures at FAR 16.505(b)(1) and (2) (see Subpart 208.4 for procedures applicable to orders placed against Federal Supply Schedules);

(3) Also applies to orders placed by non-DoD agencies on behalf of DoD; and

(4) Does not apply to orders for architect-engineer services, which shall be placed in accordance with the procedures in FAR subpart 36.6.

(b) Each order for services exceeding \$100,000 shall be placed on a competitive basis in accordance with paragraph (c) of this subsection, unless the contracting officer waives this requirement on the basis of a written determination that—

(1) One of the circumstances described at FAR 16.505(b)(2)(i) through (iv) applies to the order; or

(2) A statute expressly authorizes or requires that the purchase be made from a specified source.

(c) An order for services exceeding \$100,000 is placed on a competitive basis only if the contracting officer—

(1) Provides a fair notice of the intent to make the purchase, including a description of the work the contractor shall perform and the basis upon which the contracting officer will make the selection, to all contractors offering the required services under the multiple award contract; and

(2) Affords all contractors responding to the notice a fair opportunity to submit an offer and have that offer fairly considered.

(d) When using the procedures in this subsection—

(1) The contracting officer should keep contractor submission requirements to a minimum;